NCA
VOC FOR IOP/FN
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GENEVA TARIFF TALKS: U.S. PROPOSALS

ANNCR:

THE UNITED STATES HAS PROPOSED A NEW TARIFF-CUTTING FORMULA AT THE MULTILATERAL TRADE NEGOTIATIONS IN GENEVA. VOA'S RUSSELL DYBVIK HAS THE OBSERVATIONS.

VOICE:

SPECIFIC DETAILS OF THE NEW PROPOSAL HAVE N O T BEEN MADE PUBLIC. BUT THE PRESIDENT'S SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS, FREDERICK DENT, HAS TERMED IT A MAJOR NEW INITIATIVE.

THIS MUCH IS KNOWN: IT AIMS AT GREATER REDUCTIONS IN IMPORT DUTIES THAN HAVE EVER PREVIOUSLY BEEN SUCCESSFULLY NEGOTIATED. IT SEEKS TO INCLUDE AS MUCH TRADE AS POSSIBLE UNDER NEW TARIFF REDUCTIONS. AND, AS A PRINCIPAL OBJECTIVE, THE AMERICAN PROPOSAL ALSO SEEKS TO INSURE THAT DEVELOPING COUNTRIES WILL GAIN SUBSTANTIAL BENEFITS FROM REDUCTIONS OF TARIFFS THAT IMPEDE THEIR EXPORTS.

DETAILS HAVE N O T BEEN MADE PUBLIC BECAUSE THE PROPOSAL IS CONSIDERED A WORKING DOCUMENT UPON WHICH THE NINETY-THREE PARTICIPATING COUNTRIES CAN BASE THEIR DISCUSSIONS.

THE EUROPEAN COMMON MARKET, JAPAN AND OTHER NATIONS ARE ALSO EXPECTED TO SOON PRESENT THEIR OWN TARIFF-CUTTING FORMULAS TO THE SPECIAL WORKING GROUP ON TARIFFS IN GENEVA.

MONTHS OF NEGOTIATION LIE AHEAD. BUT THE PARTICIPATING COUNTRIES HAVE PLEDGED TO CONCLUDE FINAL AGREEMENTS ON REDUCING TARIFFS AND OTHER NON-TARIFF IMPEDIMENTS TO TRADE BY LATE NINETEEN SEVENTY-SEVEN. PRELIMINARY CONTACTS FOR

THE CURRENT ROUND OF TALKS BEGAN IN LATE NINETEEN SEVENTY-THREE. AND IT IS HOPED THE NEW AMERICAN INITIATIVE WILL GIVE A FRESH IMPETUS TO THE NEGOTIATIONS.

SINCE THE END OF WORLD WAR TWO, SUCCESSIVE ROUNDS OF TRADE NEGOTIATIONS UNDER THE AEGIS OF THE GENERAL AGREEMENTS ON TARIFFS AND TRADE -- OR GATT -- HAVE ACHIEVED SIZABLE REDUCTIONS IN TARIFFS. THE AVERAGE DUTY ON GOODS IMPORTED BY THE UNITED STATES TODAY IS ABOUT EIGHT PERCENT. IN NINETEEN THIRTY IT WAS FIFTY-TWO PERCENT. THE MOST RECENT REDUCTIONS CAME IN THE SO-CALLED KENNEDY ROUND, CONCLUDED IN NINETEEN SIXTY-SEVEN. THE AVERAGE KENNEDY ROUND TARIFF REDUCTION WAS ABOUT THIRTY-FIVE PERCENT.

THE NEW U.S. PROPOSAL SEEKS TARIFF REDUCTIONS OF UP TO SIXTY PERCENT ON SOME GOODS -- AND AIMS FOR SIGNIFICANT REDUCTIONS IN TARIFFS OF THE FIVE TO FIFTEEN PERCENT RANGE.... THE RANGE IN WHICH MOST INDUSTRIAL COUNTRY TARIFFS, AND TRADE, NOW FALL.

THE NINETEEN SEVENTY-FOUR TRADE ACT ALSO AUTHORIZES THE PRESIDENT TO ABOLISH TARIFFS UNDER FIVE PERCENT -- IF THE OTHER GATT PARTNERS ALSO AGREE TO DO SO.

IN THE PAST, TARIFF REDUCTIONS HAVE BEEN MAINLY OF THE SO-CALLED LINEAR TYPE -- WHERE AN EQUAL PERCENTAGE REDUCTION WAS MADE IN ALL AGREED TARIFF CATEGORIES. THE NEW U.S. INITIATIVE PROPOSES A COMBINATION OF LINEAR CUTS AND WHAT IS KNOWN AS "TARIFF HARMONIZATION" THAT IS, LARGER REDUCTIONS IN HIGHER TARIFFS THAN LOWER TARIFFS. THIS PROPOSAL, WHICH IS STRONGLY SUPPORTED BY THE EUROPEAN ECONOMIC COMMUNITY, WOULD HELP OPEN THE MARKETS OF INDUSTRIAL COUNTRIES TO

MANUFACTURED GOODS FROM THE DEVELOPING COUNTRIES. THE UNITED STATES- HAS PLEDGED TO WORK FOR EXTRA-LARGE REDUCTIONS OF TARIFFS ON PRODUCTS CHIEFLY PRODUCED BY THE WORLD'S DEVELOPING COUNTRIES.

IN SUM, THE U.S. PROPOSALS ARE DESIGNED TO STIMULATE EXPANSION OF WORLD TRADE, INCREASE GLOBAL LIVING STANDARDS, AND IMPROVE PRODUCTIVE EFFICIENCY IN ALL PARTICIPATING COUNTRIES.

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